

<b>State:</b>	Pennsylvania	<b>Filing Company:</b>	The Prudential Insurance Company of America
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
<b>Product Name:</b>	Individual LongTerm Care Insurance		
<b>Project Name/Number:</b>	ILTC-1 Pre RS/10I-2021		

## Filing at a Glance

Company:	The Prudential Insurance Company of America
Product Name:	Individual LongTerm Care Insurance
State:	Pennsylvania
TOI:	LTC03I Individual Long Term Care
Sub-TOI:	LTC03I.001 Qualified
Filing Type:	Rate - G.I. (Guaranteed Issue)
Date Submitted:	04/13/2021
SERFF Tr Num:	PRUD-132798393
SERFF Status:	Assigned
State Tr Num:	PRUD-132798393
State Status:	Received Review in Progress
Co Tr Num:	IIGH-ILTC1-PRE RS-AG-PA-R10
Effective	On Approval
Date Requested:	
Author(s):	Raenonna Prince, Karen Keller, Arun Paul, Meong Kwak, Adjani Delgado, Aishwarya Grover
Reviewer(s):	Jim Lavery (primary)
Disposition Date:	
Disposition Status:	
Effective Date:	

### State Filing Description:

Proposed aggregate 19.6% increase on 917 PA policyholders of Prudential LTC forms GRP 98720, GRP 98721, and GRP 98722 (i.e. forms known as ILTC-1).

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<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
<b>Product Name:</b>	Individual LongTerm Care Insurance		
<b>Project Name/Number:</b>	ILTC-1 Pre RS/10I-2021		

## General Information

Project Name: ILTC-1 Pre RS	Status of Filing in Domicile: Pending
Project Number: 10I-2021	Date Approved in Domicile:
Requested Filing Mode: Review & Approval	Domicile Status Comments: File Concurrently.
Explanation for Combination/Other:	Market Type: Individual
Submission Type: New Submission	Individual Market Type:
Overall Rate Impact: 19.6%	Filing Status Changed: 04/13/2021
	State Status Changed: 04/13/2021
Deemer Date:	Created By: Aishwarya Grover
Submitted By: Aishwarya Grover	Corresponding Filing Tracking Number:
	State TOI: LTC03I Individual Long Term Care

### Filing Description:

Please refer to the Filing Cover Letter attached to the Supporting Documentation Tab.

## Company and Contact

### Filing Contact Information

Keith Burns, Vice President and Actuary	keith.burns@prudential.com
Long Term Care Unit	402-715-4861 [Phone]
100 Mulberry Street	
Gateway Center 2, 11th Floor	
Newark, NJ 07102	

### Filing Company Information

The Prudential Insurance	CoCode: 68241	State of Domicile: New Jersey
Company of America	Group Code: 304	Company Type: Life
751 Broad Street	Group Name:	State ID Number:
Newark, NJ 07102-3777	FEIN Number: 22-1211670	
(973) 802-6000 ext. [Phone]		

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<b>State:</b>	Pennsylvania	<b>Filing Company:</b>	The Prudential Insurance Company of America
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
<b>Product Name:</b>	Individual LongTerm Care Insurance		
<b>Project Name/Number:</b>	ILTC-1 Pre RS/10I-2021		

## Filing Fees

### State Fees

Fee Required? No

Retaliatory? No

Fee Explanation:

<b>State:</b>	Pennsylvania	<b>Filing Company:</b>	The Prudential Insurance Company of America
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
<b>Product Name:</b>	Individual LongTerm Care Insurance		
<b>Project Name/Number:</b>	ILTC-1 Pre RS/10I-2021		

## Rate Information

Rate data applies to filing.

<b>Filing Method:</b>	SERFF
<b>Rate Change Type:</b>	Increase
<b>Overall Percentage of Last Rate Revision:</b>	9.800%
<b>Effective Date of Last Rate Revision:</b>	10/01/2020
<b>Filing Method of Last Filing:</b>	SERFF
<b>SERFF Tracking Number of Last Filing:</b>	PRUD-131979968

## Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
The Prudential Insurance Company of America	19.600%	19.600%	\$538,558	917	\$2,751,852	123.100%	%

<b>State:</b>	Pennsylvania	<b>Filing Company:</b>	The Prudential Insurance Company of America
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
<b>Product Name:</b>	Individual LongTerm Care Insurance		
<b>Project Name/Number:</b>	ILTC-1 Pre RS/10I-2021		

## Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		Appendix D - Rate Pages	GRP 98720 ET AL, GRP 98721 ET AL, GRP 98722 ET AL	Revised	Previous State Filing Number: PRUD-131979968 Percent Rate Change Request: 19.6	Appendix D - Rate Pages (PA ILTC1 Pre-RS).pdf,

**Appendix D**  
**The Prudential Insurance Company of America**  
**Individual Long Term Care Insurance Plan**  
**Base Rates and Adjustment Factors**

**GRP 98720, GRP 98721, GRP 98722**

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Pennsylvania Rates Before Adjustments			
Gross Annual Preferred Single Premium Per \$10.00 of Institutional Care Daily Benefit Home & Community-Based Care Daily Benefit: 75% of Institutional Care Daily Benefit \$1,825 x Daily Benefit Lifetime Maximum Benefit (5 Year Benefit Period) 100-Day Calendar Day Benefit Waiting Period			
Age	5% Automatic Simple Inflation	5% Automatic Compound Inflation	Periodic Inflation
18-30	90.79	119.68	44.44
31	95.42	125.27	46.41
32	100.29	131.15	48.46
33	105.41	137.30	50.62
34	110.80	143.72	52.85
35	116.45	150.44	55.19
36	122.40	157.50	57.65
37	128.65	164.89	60.19
38	135.22	172.60	62.86
39	142.14	180.68	65.65
40	149.40	189.14	68.56
41	154.83	195.21	70.77
42	160.50	201.46	73.02
43	166.33	207.91	75.36
44	172.40	214.53	77.77
45	178.68	221.42	80.27
46	185.20	228.50	82.84
47	191.96	235.82	85.50
48	198.96	243.38	88.23
49	206.20	251.15	91.08
50	213.71	259.20	93.99
51	226.50	274.42	99.45
52	240.09	290.56	105.22
53	254.49	307.65	111.32
54	269.76	325.75	117.77
55	285.90	344.90	124.62
56	303.04	365.18	131.85
57	321.21	386.66	139.49
58	340.44	409.37	147.59
59	360.85	433.44	156.16
60	382.49	458.93	165.21
61	406.30	482.75	176.99
62	431.60	507.79	189.59
63	458.48	534.14	203.12
64	487.07	561.86	217.58
65	517.39	591.02	233.09
66	565.81	642.41	258.02
67	618.76	698.22	285.62
68	676.65	758.94	316.16
69	739.95	824.93	349.98
70	809.19	896.63	387.41
71	893.18	982.86	432.73
72	985.88	1,077.42	483.33
73	1,088.20	1,181.07	539.86
74	1,201.12	1,294.65	603.01
75	1,325.79	1,419.20	673.53
76	1,469.95	1,563.81	755.63
77	1,629.81	1,723.15	847.70
78	1,807.05	1,898.72	951.02
79	2,003.55	2,092.18	1,066.90
80	2,221.44	2,305.36	1,196.93
81	2,398.41	2,479.56	1,301.70
82	2,589.51	2,666.96	1,415.65
83	2,795.81	2,868.49	1,539.57
84	3,018.56	3,085.27	1,674.35
85	3,259.07	3,318.42	1,820.92

Due to variations in rounding, actual premium may vary.

ADJUSTMENT FACTORS – UNDERWRITING CLASS	
Underwriting Class	All Ages
Preferred	1.000
Standard	1.250

ADJUSTMENT FACTORS – PREMIUM PAYMENT MODE	
Premium Payment Mode	All Ages
Annual	1.000
Semi-Annual	0.510
Quarterly	0.265
Monthly	0.090
Auto-Monthly	0.085

ADJUSTMENT FACTORS – MARITAL STATUS			
Marital Status	All Ages		
	Without Good Health Discount	With Good Health Discount	Minimum Factor for all Discounts combined
Married Joint	0.80	0.70	0.70
Married Single	0.90	0.75	0.75
Single (Not Married)	1.00	0.85	0.75

**Appendix D**  
**The Prudential Insurance Company of America**  
**Individual Long Term Care Insurance Plan**  
**Base Rates and Adjustment Factors**

**GRP 98720, GRP 98721, GRP 98722**

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Pennsylvania Rates Before Adjustments			
Gross Annual Preferred Single Premium Per \$10.00 of Institutional Care Daily Benefit Home & Community-Based Care Daily Benefit: 75% of Institutional Care Daily Benefit Unlimited Daily Benefit Lifetime Maximum Benefit 100-Day Calendar Day Benefit Waiting Period			
Age	5% Automatic Simple Inflation	5% Automatic Compound Inflation	Periodic Inflation
18-30	172.48	229.42	83.44
31	181.29	240.15	87.14
32	190.53	251.41	90.99
33	200.26	263.21	95.05
34	210.50	275.51	99.23
35	221.24	288.39	103.63
36	232.54	301.92	108.24
37	244.41	316.09	113.01
38	256.89	330.86	118.03
39	270.03	346.36	123.27
40	290.45	367.17	133.49
41	301.01	378.95	137.79
42	312.03	391.09	142.17
43	323.37	403.60	146.73
44	335.17	416.46	151.42
45	347.38	429.83	156.29
46	360.04	443.59	161.29
47	373.19	457.80	166.47
48	386.80	472.46	171.79
49	400.87	487.54	177.34
50	414.87	501.32	186.05
51	439.70	530.77	196.86
52	466.07	561.99	208.28
53	494.04	595.03	220.35
54	523.67	630.03	233.12
55	555.00	667.08	246.68
56	588.27	706.30	260.99
57	623.54	747.84	276.11
58	660.89	791.76	292.15
59	700.50	838.32	309.11
60	733.77	877.13	327.79
61	779.44	922.65	351.16
62	827.99	970.52	376.16
63	879.55	1,020.88	403.00
64	934.39	1,073.87	431.69
65	992.56	1,129.59	462.47
66	1,085.45	1,227.82	511.93
67	1,187.02	1,334.48	566.69
68	1,298.09	1,450.52	627.28
69	1,419.52	1,576.65	694.39
70	1,555.82	1,717.53	780.01
71	1,717.31	1,882.70	871.25
72	1,895.55	2,063.84	973.13
73	2,092.26	2,262.38	1,086.95
74	2,309.38	2,479.95	1,214.09
75	2,549.07	2,718.53	1,356.08
76	2,826.25	2,995.54	1,521.38
77	3,133.61	3,300.77	1,706.75
78	3,474.38	3,637.08	1,914.77
79	3,852.19	4,007.66	2,148.08
80	4,340.94	4,491.77	2,454.20
81	4,686.77	4,831.17	2,669.02
82	5,060.20	5,196.30	2,902.67
83	5,463.32	5,588.96	3,156.76
84	5,898.60	6,011.34	3,433.11
85	6,368.58	6,465.60	3,733.64

Due to variations in rounding, actual premium may vary.

ADJUSTMENT FACTORS – UNDERWRITING CLASS	
Underwriting Class	All Ages
Preferred	1.000
Standard	1.250

ADJUSTMENT FACTORS – PREMIUM PAYMENT MODE	
Premium Payment Mode	All Ages
Annual	1.000
Semi-Annual	0.510
Quarterly	0.265
Monthly	0.090
Auto-Monthly	0.085

ADJUSTMENT FACTORS – MARITAL STATUS			
Marital Status	All Ages		
	Without Good Health Discount	With Good Health Discount	Minimum Factor for all Discounts combined
Married Joint	0.80	0.70	0.70
Married Single	0.90	0.75	0.75
Single (Not Married)	1.00	0.85	0.75

Appendix D  
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Individual Long Term Care Insurance Plan  
Automatic Simple Interest Inflation Protection  
Base Rates and Adjustment Factors

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ADJUSTMENT FACTORS – LIFETIME MAXIMUM (BENEFIT PERIOD)						
Benefit Period	Ages					
	18-39	40-49	50-59	60-69	70-79	80+
3 YEAR	0.856	0.840	0.833	0.831	0.824	0.813
4 YEAR	0.940	0.934	0.931	0.930	0.927	0.922
5 YEAR	1.000	1.000	1.000	1.000	1.000	1.000

ADJUSTMENT FACTORS – BENEFIT WAITING PERIOD						
Benefit Waiting Period	Ages					
	18-39	40-49	50-59	60-69	70-79	80+
0 DAY	1.105	1.134	1.165	1.191	1.225	1.269
30 DAY	1.078	1.101	1.126	1.145	1.165	1.187
60 DAY	1.045	1.058	1.071	1.080	1.092	1.105
100 DAY	1.000	1.000	1.000	1.000	1.000	1.000

ADJUSTMENT FACTORS – HOME & COMMUNITY-BASED CARE DAILY BENEFIT						
% of Institutional Benefit	Ages					
	18-39	40-49	50-59	60-69	70-79	80+
75%	1.000	1.000	1.000	1.000	1.000	1.000
50%	0.926	0.924	0.926	0.935	0.941	0.941
100%	1.057	1.062	1.065	1.058	1.042	1.033

Select only one (if any) of the following three Home & Community Based Care Options: Monthly, Cash, or Cash Indemnity Rider						
ADJUSTMENT FACTORS – MONTHLY BENEFIT RIDER (RIDER ONLY)						
HHC % of Institutional Benefit	Ages					
	18-39	40-49	50-59	60-69	70-79	80+
75%	0.060	0.071	0.082	0.077	0.057	0.051
50%	0.094	0.100	0.100	0.090	0.082	0.082
100%	0.034	0.047	0.059	0.056	0.045	0.051

ADJUSTMENT FACTORS – CASH BENEFIT RIDER (RIDER ONLY)							
HHC % of Institutional Benefit	Benefit Period	Ages					
		18-39	40-49	50-59	60-69	70-79	80+
75%	3 YEAR	0.857	0.857	0.818	0.751	0.718	0.704
	4 YEAR	0.857	0.857	0.818	0.751	0.718	0.704
	5 YEAR	0.857	0.857	0.818	0.751	0.718	0.704
	Unlimited	1.017	1.017	0.975	0.901	0.866	0.851
	Unlimited	1.017	1.017	0.975	0.901	0.866	0.851
50%	3 YEAR	0.789	0.779	0.736	0.668	0.634	0.614
	4 YEAR	0.789	0.779	0.736	0.668	0.634	0.614
	5 YEAR	0.789	0.779	0.736	0.668	0.634	0.614
	Unlimited	0.944	0.932	0.885	0.811	0.776	0.754
	Unlimited	0.944	0.932	0.885	0.811	0.776	0.754
100%	3 YEAR	0.893	0.899	0.865	0.807	0.804	0.817
	4 YEAR	0.893	0.899	0.865	0.807	0.804	0.817
	5 YEAR	0.893	0.899	0.865	0.807	0.804	0.817
	Unlimited	1.056	1.062	1.025	0.962	0.959	0.974
	Unlimited	1.056	1.062	1.025	0.962	0.959	0.974

ADJUSTMENT FACTORS – CASH INDEMNITY RIDER (RIDER ONLY)							
HHC % of Institutional Benefit	Benefit Period	Ages					
		18-39	40-49	50-59	60-69	70-79	80+
75%	3 YEAR	0.471	0.471	0.450	0.413	0.395	0.387
	4 YEAR	0.471	0.471	0.450	0.413	0.395	0.387
	5 YEAR	0.471	0.471	0.450	0.413	0.395	0.387
	Unlimited	0.559	0.559	0.536	0.496	0.476	0.468
	Unlimited	0.559	0.559	0.536	0.496	0.476	0.468
50%	3 YEAR	0.434	0.428	0.405	0.367	0.349	0.338
	4 YEAR	0.434	0.428	0.405	0.367	0.349	0.338
	5 YEAR	0.434	0.428	0.405	0.367	0.349	0.338
	Unlimited	0.519	0.513	0.487	0.446	0.427	0.415
	Unlimited	0.519	0.513	0.487	0.446	0.427	0.415
100%	3 YEAR	0.491	0.494	0.476	0.444	0.442	0.449
	4 YEAR	0.491	0.494	0.476	0.444	0.442	0.449
	5 YEAR	0.491	0.494	0.476	0.444	0.442	0.449
	Unlimited	0.581	0.584	0.564	0.529	0.527	0.536
	Unlimited	0.581	0.584	0.564	0.529	0.527	0.536

ADJUSTMENT FACTORS - SHORTENED BENEFIT PERIOD NONFORFEITURE (RIDER ONLY)						
(applies to base plan and rider premiums)						
Included	Ages					
	18-39	40-49	50-59	60-69	70-79	80+
NO	0.000	0.000	0.000	0.000	0.000	0.000
YES	0.197	0.185	0.161	0.152	0.180	0.190



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The Prudential Insurance Company of America  
Individual Long Term Care Insurance Plan  
Automatic Compound Interest Inflation Protection  
Base Rates and Adjustment Factors

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ADJUSTMENT FACTORS – LIFETIME MAXIMUM (BENEFIT PERIOD)						
Benefit Period	Ages					
	18-39	40-49	50-59	60-69	70-79	80+
3 YEAR	0.844	0.837	0.832	0.832	0.825	0.815
4 YEAR	0.935	0.933	0.931	0.931	0.928	0.923
5 YEAR	1.000	1.000	1.000	1.000	1.000	1.000

ADJUSTMENT FACTORS – BENEFIT WAITING PERIOD						
Benefit Waiting Period	Ages					
	18-39	40-49	50-59	60-69	70-79	80+
0 DAY	1.137	1.144	1.171	1.196	1.226	1.270
30 DAY	1.102	1.109	1.130	1.147	1.166	1.187
60 DAY	1.057	1.063	1.073	1.081	1.092	1.105
100 DAY	1.000	1.000	1.000	1.000	1.000	1.000

ADJUSTMENT FACTORS – HOME & COMMUNITY-BASED CARE DAILY BENEFIT						
% of Institutional Benefit	Ages					
	18-39	40-49	50-59	60-69	70-79	80+
75%	1.000	1.000	1.000	1.000	1.000	1.000
50%	0.927	0.925	0.928	0.936	0.942	0.943
100%	1.057	1.056	1.057	1.049	1.034	1.029

Select only one (if any) of the following three Home & Community Based Care Options: Monthly, Cash, or Cash Indemnity Rider						
ADJUSTMENT FACTORS – MONTHLY BENEFIT RIDER (RIDER ONLY)						
HHC % of Institutional Benefit	Ages					
	18-39	40-49	50-59	60-69	70-79	80+
75%	0.065	0.062	0.069	0.062	0.046	0.046
50%	0.094	0.099	0.097	0.089	0.082	0.080
100%	0.042	0.033	0.039	0.040	0.041	0.052

ADJUSTMENT FACTORS – CASH BENEFIT RIDER (RIDER ONLY)							
HHC % of Institutional Benefit	Benefit Period	Ages					
		18-39	40-49	50-59	60-69	70-79	80+
75%	3 YEAR	0.828	0.844	0.800	0.738	0.717	0.707
	4 YEAR	0.828	0.844	0.800	0.738	0.717	0.707
	5 YEAR	0.828	0.844	0.800	0.738	0.717	0.707
	Unlimited	0.986	1.002	0.956	0.889	0.865	0.854
	Unlimited	0.986	1.002	0.956	0.889	0.865	0.854
50%	3 YEAR	0.757	0.766	0.718	0.658	0.632	0.613
	4 YEAR	0.757	0.766	0.718	0.658	0.632	0.613
	5 YEAR	0.757	0.766	0.718	0.658	0.632	0.613
	Unlimited	0.909	0.919	0.866	0.801	0.772	0.752
	Unlimited	0.909	0.919	0.866	0.801	0.772	0.752
100%	3 YEAR	0.870	0.899	0.860	0.810	0.814	0.825
	4 YEAR	0.870	0.899	0.860	0.810	0.814	0.825
	5 YEAR	0.870	0.899	0.860	0.810	0.814	0.825
	Unlimited	1.031	1.062	1.020	0.967	0.970	0.982
	Unlimited	1.031	1.062	1.020	0.967	0.970	0.982

ADJUSTMENT FACTORS – CASH INDEMNITY RIDER (RIDER ONLY)							
HHC % of Institutional Benefit	Benefit Period	Ages					
		18-39	40-49	50-59	60-69	70-79	80+
75%	3 YEAR	0.455	0.464	0.440	0.406	0.394	0.389
	4 YEAR	0.455	0.464	0.440	0.406	0.394	0.389
	5 YEAR	0.455	0.464	0.440	0.406	0.394	0.389
	Unlimited	0.542	0.551	0.526	0.489	0.476	0.470
	Unlimited	0.542	0.551	0.526	0.489	0.476	0.470
50%	3 YEAR	0.416	0.421	0.395	0.362	0.348	0.337
	4 YEAR	0.416	0.421	0.395	0.362	0.348	0.337
	5 YEAR	0.416	0.421	0.395	0.362	0.348	0.337
	Unlimited	0.500	0.505	0.476	0.441	0.425	0.414
	Unlimited	0.500	0.505	0.476	0.441	0.425	0.414
100%	3 YEAR	0.479	0.494	0.473	0.446	0.448	0.454
	4 YEAR	0.479	0.494	0.473	0.446	0.448	0.454
	5 YEAR	0.479	0.494	0.473	0.446	0.448	0.454
	Unlimited	0.567	0.584	0.561	0.532	0.534	0.540
	Unlimited	0.567	0.584	0.561	0.532	0.534	0.540

ADJUSTMENT FACTORS - SHORTENED BENEFIT PERIOD NONFORFEITURE (RIDER ONLY)						
(applies to base plan and rider premiums)						
Included	Ages					
	18-39	40-49	50-59	60-69	70-79	80+
NO	0.000	0.000	0.000	0.000	0.000	0.000
YES	0.266	0.230	0.183	0.164	0.176	0.186

Appendix D  
The Prudential Insurance Company of America  
Individual Long Term Care Insurance Plan  
Periodic Inflation Protection Offers  
Base Rates and Adjustment Factors

GRP 98722  
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ADJUSTMENT FACTORS – LIFETIME MAXIMUM (BENEFIT PERIOD)						
Benefit Period	Ages					
	18-39	40-49	50-59	60-69	70-79	80+
3 YEAR	0.896	0.875	0.863	0.857	0.845	0.835
4 YEAR	0.959	0.950	0.945	0.942	0.938	0.934
5 YEAR	1.000	1.000	1.000	1.000	1.000	1.000

ADJUSTMENT FACTORS – BENEFIT WAITING PERIOD						
Benefit Waiting Period	Ages					
	18-39	40-49	50-59	60-69	70-79	80+
0 DAY	1.085	1.118	1.156	1.190	1.231	1.277
30 DAY	1.063	1.090	1.121	1.147	1.172	1.193
60 DAY	1.037	1.053	1.069	1.081	1.096	1.108
100 DAY	1.000	1.000	1.000	1.000	1.000	1.000

ADJUSTMENT FACTORS – HOME & COMMUNITY-BASED CARE DAILY BENEFIT						
% of Institutional Benefit	Ages					
	18-39	40-49	50-59	60-69	70-79	80+
75%	1.000	1.000	1.000	1.000	1.000	1.000
50%	0.928	0.921	0.922	0.930	0.936	0.937
100%	1.067	1.076	1.081	1.074	1.059	1.048

Select only one (if any) of the following three Home & Community Based Care Options: Monthly, Cash, or Cash Indemnity Rider						
ADJUSTMENT FACTORS – MONTHLY BENEFIT RIDER (RIDER ONLY)						
HHC % of Institutional Benefit	Ages					
	18-39	40-49	50-59	60-69	70-79	80+
75%	0.077	0.092	0.107	0.108	0.084	0.071
50%	0.089	0.101	0.104	0.097	0.089	0.088
100%	0.053	0.069	0.088	0.092	0.071	0.062

ADJUSTMENT FACTORS – CASH BENEFIT RIDER (RIDER ONLY)							
HHC % of Institutional Benefit	Benefit Period	Ages					
		18-39	40-49	50-59	60-69	70-79	80+
75%	3 YEAR	0.624	0.645	0.629	0.576	0.543	0.521
	4 YEAR	0.624	0.645	0.629	0.576	0.543	0.521
	5 YEAR	0.624	0.645	0.629	0.576	0.543	0.521
	Unlimited	0.730	0.752	0.735	0.679	0.644	0.620
50%	3 YEAR	0.561	0.573	0.551	0.500	0.466	0.441
	4 YEAR	0.561	0.573	0.551	0.500	0.466	0.441
	5 YEAR	0.561	0.573	0.551	0.500	0.466	0.441
	Unlimited	0.663	0.675	0.652	0.598	0.562	0.536
100%	3 YEAR	0.643	0.669	0.659	0.613	0.602	0.604
	4 YEAR	0.643	0.669	0.659	0.613	0.602	0.604
	5 YEAR	0.643	0.669	0.659	0.613	0.602	0.604
	Unlimited	0.751	0.778	0.767	0.719	0.706	0.710

ADJUSTMENT FACTORS – CASH INDEMNITY RIDER (RIDER ONLY)							
HHC % of Institutional Benefit	Benefit Period	Ages					
		18-39	40-49	50-59	60-69	70-79	80+
75%	3 YEAR	0.343	0.355	0.346	0.317	0.299	0.287
	4 YEAR	0.343	0.355	0.346	0.317	0.299	0.287
	5 YEAR	0.343	0.355	0.346	0.317	0.299	0.287
	Unlimited	0.402	0.414	0.404	0.373	0.354	0.341
50%	3 YEAR	0.309	0.315	0.303	0.275	0.256	0.243
	4 YEAR	0.309	0.315	0.303	0.275	0.256	0.243
	5 YEAR	0.309	0.315	0.303	0.275	0.256	0.243
	Unlimited	0.365	0.371	0.359	0.329	0.309	0.295
100%	3 YEAR	0.354	0.368	0.362	0.337	0.331	0.332
	4 YEAR	0.354	0.368	0.362	0.337	0.331	0.332
	5 YEAR	0.354	0.368	0.362	0.337	0.331	0.332
	Unlimited	0.413	0.428	0.422	0.395	0.388	0.391

ADJUSTMENT FACTORS - SHORTENED BENEFIT PERIOD NONFORFEITURE (RIDER ONLY)						
(applies to base plan and rider premiums)						
Included	Ages					
	18-39	40-49	50-59	60-69	70-79	80+
NO	0.000	0.000	0.000	0.000	0.000	0.000
YES	0.172	0.181	0.173	0.168	0.200	0.203

<b>State:</b>	Pennsylvania	<b>Filing Company:</b>	The Prudential Insurance Company of America
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
<b>Product Name:</b>	Individual LongTerm Care Insurance		
<b>Project Name/Number:</b>	ILTC-1 Pre RS/10I-2021		

## Supporting Document Schedules

<b>Satisfied - Item:</b>	Transmittal Letter (A&H)
<b>Comments:</b>	
<b>Attachment(s):</b>	PA ILTC1 PreRS Round 10 Cover Letter.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Actuarial Certification (A&H)
<b>Bypass Reason:</b>	Please refer to Section 22, pages of 11 and 12 of the enclosed Actuarial Memorandum.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Actuarial Memorandum and Explanatory Information (A&H)
<b>Comments:</b>	
<b>Attachment(s):</b>	PA Act Memo - Revised Rates ILTC1 PreRS.pdf PA Pre-RS ILTC1 Rate Increase.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Advertisements (A&H)
<b>Bypass Reason:</b>	N/A
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Authorization to File (A&H)
<b>Bypass Reason:</b>	N/A
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Insert Page Explanation (A&H)
<b>Bypass Reason:</b>	N/A
<b>Attachment(s):</b>	
<b>Item Status:</b>	

<b>State:</b>	Pennsylvania	<b>Filing Company:</b>	The Prudential Insurance Company of America
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
<b>Product Name:</b>	Individual LongTerm Care Insurance		
<b>Project Name/Number:</b>	ILTC-1 Pre RS/10I-2021		

<b>Status Date:</b>	
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<b>Bypassed - Item:</b>	Rate Table (A&H)
<b>Bypass Reason:</b>	Please refer to Appendix D, Rate Pages attached to the Rate Schedule Tab of this filing.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Replacement Form with Highlighted Changes (A&H)
<b>Bypass Reason:</b>	N/A
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Advertisement Compliance Certification
<b>Bypass Reason:</b>	N/A
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Reserve Calculation (A&H)
<b>Bypass Reason:</b>	Please refer to the enclosed Actuarial Memorandum.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Variability Explanation (A&H)
<b>Bypass Reason:</b>	N/A
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Appendix C - Description of Experience Analysis and Assumption Setting
<b>Comments:</b>	

<b>State:</b>	Pennsylvania	<b>Filing Company:</b>	The Prudential Insurance Company of America
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
<b>Product Name:</b>	Individual LongTerm Care Insurance		
<b>Project Name/Number:</b>	ILTC-1 Pre RS/10I-2021		

<b>Attachment(s):</b>	Appendix C - Description of Experience Analysis and Assumption Setting.pdf Appendix C - Exhibit 1 - Mortality Details - ILTC.pdf Appendix C - Exhibit 2 - Lapse Details - ILTC.pdf Appendix C - Exhibit 3 - Incidence Study - ILTC.pdf Appendix C - Exhibit 4 - Utilization Details - ILTC.pdf Appendix C - Exhibit 5 - Claim Termination Death - ILTC.pdf Appendix C - Exhibit 6 - Claim Termination Recovery - ILTC.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Satisfied - Item:</b>	Policyholder Notification Package
<b>Comments:</b>	
<b>Attachment(s):</b>	FAQs-Round 10 (ILTC-1)_11182020.pdf LTC-Change Request Form Round 10 (ILTC-1)_11182020.pdf LTC-Coverage Options Round 10 (ILTC-1)_11182020.pdf LTC-Policyholder Notification Letter Round 10 (ILTC-1)_01272021.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	



**Keith Burns, ASA, MAAA**  
Vice President and Actuary  
Financial Management

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April 12, 2021

The Honorable Jessica K. Altman  
Commissioner of Insurance  
Pennsylvania Insurance Department  
1326 Strawberry Square  
Harrisburg, Pennsylvania 17120

Re.: The Prudential Insurance Company of America  
NAIC #304-68241  
Individual Long Term Care Insurance  
Form Numbers: GRP 98720, GRP 98721 and GRP 98722, et al

Dear Commissioner Altman:

Enclosed for your review is support for a requested increase to our long-term care insurance premium rate schedule, for the above referenced forms.

Forms GRP 98720, GRP 98721 and GRP 98722 were previously approved by the Department on December 23, 2002, and its form series was sold nationwide during the period of 1999 through 2012. This product is no longer being marketed in any state.

We are requesting a rate increase for the above referenced policy series of the following amounts:

Inflation Type	Benefit Type	Benefit Period	Requested Rate Increase
No Inflation	Cash	Lifetime or 10 year	53.7%
No Inflation	Cash	less than 10 year	0.0%
No Inflation	Reimbursement	Lifetime or 10 year	38.8%
No Inflation	Reimbursement	less than 10 year	0.0%
Auto Inflation	Cash	Lifetime or 10 year	123.1%
Auto Inflation	Cash	less than 10 year	53.8%
Auto Inflation	Reimbursement	Lifetime or 10 year	78.5%
Auto Inflation	Reimbursement	less than 10 year	38.9%

The rate increase is needed to help ensure that future premiums, in combination with existing reserves, will be adequate to fund anticipated claims. We will continue to monitor the performance of this block of business after this rate action. As explained in more detail in the Actuarial Memorandum, if the full increase is approved, we commit to not request an additional increase in the future unless our experience deteriorates further.

The requested rate increases will not restore original profit margins, but will help Prudential avoid additional losses as well as further depletion of its surplus. Approval of the requested rate increase will also help maintain equity amongst the states. Deferring rate increases may increase the size of needed future rate increases.

The proposed premium rates will be effective on each policy's first modal premium due date that is on or after the effective date, which Prudential will establish following state authorization. Prudential will provide all policyholders at least 60 days advance notice of the rate increase.

We understand that a premium increase may be difficult for our policyholders to absorb. Consequently, Prudential is prepared to offer a number of options to help mitigate or eliminate the impact of the higher premium an insured is paying, such as; reducing their benefit period, decreasing their Daily Benefit Maximum, or dropping rider(s) (e.g. optional coverage). Additionally, as an alternative, the Contingent Non-forfeiture benefit will be made available to all impacted policyholders whose plan design does not already include a Non-forfeiture Benefit Rider.

Please note that, for policies issued on or after September 16, 2002, we consider this rate increase filing to satisfy the regulatory requirement to provide updated projections annually following the approval of a previous rate increase.

The following items are included with this submission:

- All Actuarial Material
- All Required Certifications
- State transmittal and checklists (If applicable)
- Policyholder Notification Package

**Correspondence:** Please correspond directly with my associate concerning this filing.

Meong Kwak ASA  
Associate Actuary  
The Prudential Insurance Company of America  
2101 Welsh Rd.  
Dresher, PA 19125  
215-784-2959  
e-mail: meong.kwak@prudential.com

Very truly yours,

A handwritten signature in black ink that reads "Keith Burns". The signature is written in a cursive, flowing style.

Keith Burns, ASA, MAAA  
Vice President and Actuary

April 12, 2021  
Actuarial Memorandum Supporting Rate Revision for  
The Prudential Insurance Company of America  
Individual Long-Term Care Insurance Plan  
Pennsylvania  
Policies Issued Prior 9/16/2002

**1. Scope and Purpose**

The purpose of this memorandum is to provide actuarial information supporting a rate revision to premiums for the following The Prudential Insurance Company of America's Tax-Qualified individual long-term care Forms and their associated riders:

<u>Product Name</u>	<u>Form Number</u>	<u>Issue Dates in Pennsylvania</u>
ILTC1, Simple Inflation	GRP 98720	08/1999 - 09/2002
ILTC1, Compound Inflation	GRP 98721	08/1999 - 09/2002
ILTC1, Periodic Inflation Option	GRP 98722	08/1999 - 09/2002

Some riders may not be available in all states. This rate filing is not intended to be used for other purposes.

This rate filing is a request for a rate increase in premium varying by Inflation Type, Benefit Type, and Benefit Period (see table below), effective upon approval by the state, on the base contract and all associated riders. References to policyholders with No Inflation in this actuarial memorandum and appendices is intended to be our classification for those policyholders that didn't elect an automatic inflation option, which includes those without an inflation rider and those with the Guaranteed Purchase Option (GPO).

<b>Inflation Type</b>	<b>Benefit Type</b>	<b>Benefit Period</b>	<b>Requested Rate Increase</b>
No Inflation	Cash	Lifetime or 10 year	53.7%
No Inflation	Cash	Less than 10 year	0.0%
No Inflation	Reimbursement	Lifetime or 10 year	38.8%
No Inflation	Reimbursement	Less than 10 year	0.0%
Auto Inflation	Cash	Lifetime or 10 year	123.1%
Auto Inflation	Cash	Less than 10 year	53.8%
Auto Inflation	Reimbursement	Lifetime or 10 year	78.5%
Auto Inflation	Reimbursement	Less than 10 year	38.9%

These revisions are necessary because the current best estimate projections of the nationwide lifetime loss ratios are higher than the originally priced expected lifetime loss ratios. The higher lifetime loss ratios are due to adverse morbidity and persistency experience. If the requested rate



**Actuarial Memorandum Supporting Rate Revisions for  
The Prudential Insurance Company of American  
Individual Long-Term Care Insurance Product  
April 12, 2021**

increase is approved and implemented as proposed, the company does not expect to request additional rate increases based on current expectations of future experience. However, if actual future experience were to deteriorate further, additional rate action may become necessary even if the requested rate increase is approved and implemented as proposed.

Prudential is filing for premium rate increases in each state where policies of these forms were issued.

Upon approval of this rate revision, Prudential will communicate to policyholders their options to reduce the impact of the rate increase. There will be opportunities for most, if not all, policyholders to keep the premium at or below the premium they were paying prior to the rate revision. These options may include reducing the lifetime maximum, reducing the daily benefit, and eliminating optional riders. In addition to what is included in the policyholder notification letter, policyholders will be notified that they can call our customer service representatives to work out a benefit reduction that best works for their situation.

In addition, the contingent non-forfeiture benefit will be available for all policyholders, regardless of their age or rate increase amount.

Please refer to Section 20 for a description of the information contained in each Appendix included in the filing.

## **2. Description of Benefits**

The policies issued on these forms are referred as the “ILTC1” product series. This product was individually underwritten and provides comprehensive long-term care coverage for care received in a nursing home, assisted living facility, or hospice in addition to home and community-based care. This product is intended to be a Tax Qualified Long Term Care Insurance Contract as defined by the internal revenue code section 7702B(b).

This product reimburses covered long-term care expenses subject to the amount of coverage purchased. A waiting period, institutional daily benefit amount, home and community care percentage, maximum lifetime benefit amount and inflation protection option are selected at issue. The available choices can be found in the attached premium rate tables.

The benefit eligibility criteria is based on the insured’s loss of the ability to perform two of the six activities of daily living (ADLs) or having a severe cognitive impairment. Activities of Daily

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April 12, 2021**

Living are bathing, continence, dressing, eating, toileting, and transferring. Premiums will be waived beginning the first day of the next month following when LTC benefits are payable.

There are several optional riders that were sold with this product, including a cash benefit option and a monthly benefit option. The cash benefit option allows the insured to choose to receive benefits for Home and Community-Based Care as a cash benefit rather than as reimbursement. No formal services are required to receive a cash benefit. Policies with the cash benefit option are referred to as “Cash Plans” and plans without the cash benefit option are referred to as “Reimbursement Plans”. The monthly benefit option provides benefits for Home and Community-Based Care on a monthly basis such that any or all of the benefits for Home and Community-Based Care can be used within the time frames that meet the insured’s needs.

### **3. Renewability Clause**

This product is a Guaranteed Renewable, Individual Long Term Care policy.

### **4. Applicability**

The premium increase contained in this memorandum will be applicable to all active premium-paying policy holders of the policy form and riders described in Section 1, as these policy forms are no longer sold in the market. The revised premium rate schedules can be found in Appendix D.

### **5. Actuarial Assumptions**

The actuarial assumptions used to project the future premiums and claims are described in this section. Appendix C provides further details of how the experience studies were conducted that were used to develop the actuarial assumptions. A significant methodology change occurred, moving to a first principles basis, replacing the previous claims cost basis. In the first principles model, experience is studied separately for active (or “healthy”) and disabled lives (in approved claim status). First principles modeling allows for greater transparency and flexibility to study drivers of claims and perform sensitivities. The assumptions used in this filing are Prudential’s 2020 best estimate expectations of future experience for the individual long term care block of business, and do not include any provisions for adverse experience. These assumptions are the basis for the assumptions being used in the company’s internal cash flow testing.

**Actuarial Memorandum Supporting Rate Revisions for  
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April 12, 2021**

## **Morbidity**

Due to the implementation of the first principles framework, the morbidity assumption has been split into three components - Incidence, Utilization, and Claim Termination. More details regarding the morbidity assumption components can be found in Appendix C. The best estimate components of the morbidity assumptions were developed based on a combination of Prudential's historical claim experience, the Milliman 2017 Long Term Care Guidelines (Guidelines) on a first principles basis and judgment. The policy design and coverages and the underwriting applied at the time of issue were all considered when setting each morbidity component assumption. The first principles assumptions reflect Prudential's 2020 best estimate of future morbidity. The best estimate assumptions do not include an assumption for morbidity improvement. The assumptions do not include any adverse selection from the rate increase or loads for moderately adverse experience.

## **Mortality**

Healthy lives mortality assumptions were developed from a mortality study conducted on Prudential's healthy life experience and judgment. The 2020 best estimate mortality assumption is the 2012 IAM Basic Table on an Age Last Birthday basis with mortality selection factors for healthy life experience and mortality improvement. The mortality selection factors are generational and vary by gender, issue age, and duration. Disabled lives mortality assumptions reside in the morbidity components, also known as claim terminations deaths, and were developed from a mortality study conducted on Prudential's disabled life experience and judgment, and consideration of the Milliman Guidelines and Society of Actuaries LTC experience.

As part of the new first principles modeling framework, different mortality improvement assumptions have been developed for healthy lives and disabled lives. For disabled lives, future mortality improvement rates are 0%, which is consistent with actual experience and industry practice. For healthy lives, the mortality improvement structure has been enhanced to vary by attained age and gender. The attained age structure is consistent with overall population statistics. We based our improvement assumption on the G2 improvement scale that is published with the 2012 IAM mortality base tables, with a true-up for application of the scale to healthy life population, beginning on 1/1/2021. We assumed all remaining policies would terminate at attained age 120. The assumptions do not include any loads for moderately adverse experience.

## **Lapses**

The voluntary lapse assumptions were developed from a policy persistency study conducted on Prudential's long-term care policy healthy life experience. The voluntary lapse assumptions are

**Actuarial Memorandum Supporting Rate Revisions for  
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our expectations for policy terminations, by duration, for reasons other than death, benefit exhaustion or benefit buy-downs. The lapse assumptions represent the 2020 best estimate expectations of future experience and do not include any provisions for adverse experience. The application of rates is applied to healthy lives only, consistent with the first principles basis, with the disabled life lapse rate assumed at 0%. At time of premium rate increase notification, policyholders may elect a nonforfeiture benefit or an optional benefit reduction and the impact of these policyholder elections is modelled in our projections. Voluntary lapse rates for the Lifetime Premium Pay policies are shown below.

Duration	Inflation		No Inflation	
	Single	Married	Single	Married
6 – 9	1.29%	0.84%	2.79%	1.81%
10 – 14	0.94%	0.61%	2.03%	1.32%
15+	0.82%	0.53%	1.77%	1.15%

NOTE: No inflation includes plans without inflation and GPO.

## **Interest Rate**

An annual interest rate of 4.5% was used to calculate the lifetime loss ratio in the supporting appendices.

## **Expenses**

The need for a rate increase is based on the lifetime loss ratio being in excess of the minimum loss ratio. Expenses do not directly impact the lifetime loss ratio and therefore are not used as justification for the rate increase. As such, expenses are not being projected and are not included in this filing.

## **6. Issue Age Range**

This product was available for issue ages 18 - 84. Premiums are based on issue age.

## **7. Area Factors**

The Company did not use area factors within the state in the premium scale for this product.

## **8. Average Annual Premium**

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April 12, 2021**

The average annual premium for this product for both prior to the impact of the requested rate increase, and after, is indicated in Appendix A to this memorandum.

**9. Modal Premium Factors**

Modal loads are required because of the varied expenses incurred by the Company and the effect of interest and persistency. The modal premium factors will remain unchanged from the current factors.

**10. Claim Liability and Reserve**

Claim reserves were calculated using appropriate actuarial methods for IBNR and for open claims on a disabled life basis. The claim reserves were discounted to the date of incurred for each claim and have been included in the historical incurred claims. An annual interest rate of 4.5% was used to calculate the present value of future claims in the supporting exhibits.

**11. Active Life Reserves**

We have provided supporting evidence for the justification of the proposed increase based on the relationship of incurred claims divided by earned premium compared to the minimum required loss ratios. Incurred claims exclude any change in active life reserves.

**12. Trend Assumption**

Benefits payable are equal to or less than the daily or monthly benefit limit. We have not included any medical trend in the projections.

**13. Requested Rate Increase and Demonstration of Satisfaction of Loss Ratio Requirements**

Prudential is requesting a premium increase varying by inflation type, benefit type, and benefit period, to be applied to all ILTC1 active policies.

**Actuarial Memorandum Supporting Rate Revisions for  
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Satisfaction of minimum required loss ratio requirements is demonstrated in Appendix A. This approach shows that with the requested rate increase the expected lifetime loss ratio exceeds the minimum loss ratio requirement. The minimum loss ratio for this state is shown in Appendix A.

#### **14. Distribution of Business**

The historical experience reflects the actual distribution of policies during the experience period. We used the current distribution of business as of June 30, 2020 to project future experience.

#### **15. Experience – Past and Future**

The historical and projected nationwide experience, both with and without the rate increase, is contained in Appendix B. Note that there is no margin for adverse deviation in the future incurred claim projections in Appendix B. Additionally, the historical and projected nationwide experience is on a Pennsylvania rate basis.

The historical and projected experience for this state, both with and without the rate increase, is contained in Appendix E. Note that there is no margin for adverse deviation in the future incurred claim projections in Appendix E.

Historical experience is shown by claim incurred year.

#### **16. Lifetime Loss Ratio**

The anticipated nationwide lifetime loss ratios, both without a rate increase and with the requested rate increase, are shown in Appendix A. The development of these nationwide lifetime loss ratios is shown in Appendix B.

The rate increase is assumed effective October 1, 2021 in our projections.

#### **17. History of Rate Adjustments**

**Actuarial Memorandum Supporting Rate Revisions for  
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See Appendix A for a history of previous rate adjustments on this policy form.

## **18. Number of Policyholders**

The current number of policyholders as of June 30, 2020 can be found in Appendix A.

## **19. Proposed Effective Date**

This rate revision will be implemented following state approval and a minimum of a 60 day notification to the policy holder. Implementation will be no earlier than October 1, 2021.

## **20. Summary of Appendices**

Appendix A contains state-specific information, indexed to the section numbers applied in this memorandum.

Appendix B contains historical and projected nationwide experience for all policies issued under this form on a Pennsylvania state rate basis. The appendix also includes the projected lifetime loss ratios both without and with the proposed increase. Note that there is no margin for adverse deviation in the future incurred claim projections in Appendix B.

Appendix C describes the development of the best estimate mortality, voluntary lapse, incidence, utilization, claim termination by death and claim termination by recovery assumptions. Included within Appendix C are six exhibits that show actual experience to projected best estimate experience. The best estimate values in these exhibits reflect Prudential's assumptions developed in 2020. Actual to expected results close to 100% demonstrates that the current assumptions are reasonable compared to the actual results.

Appendix D contains the premium rate pages associated with this filing.

Appendix E contains the same information as Appendix B except it contains only state specific experience and projections.

## **21. Relationship of Renewal Premium to New Business Premium.**

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Prudential is no longer selling any new Long-Term Care business. Therefore, the comparison of renewal premium rates after the rate increase to the Company's current new business premium rate schedule is not applicable.

## **22. Actuarial Certification**

I am a member of the American Academy of Actuaries. I meet the Academy's qualification standards for rendering this opinion and am familiar with the requirements for filing long term care insurance premiums.

To the best of my knowledge and judgment this rate filing is in compliance with the applicable laws and regulations of this State as they relate to premium rate developments and revisions.

The policy design and coverages, the underwriting used at the time of issue, and the claim adjudication process were all taken into consideration.

In forming my opinion, I have used actuarial assumptions and actuarial methods as I considered necessary. The pricing assumptions are consistent with Prudential's current best estimates and do not include a margin for adverse experience. These assumptions are used to calculate the new target lifetime loss ratio as shown in Appendix A, Section 22.

The premium rates are not excessive or unfairly discriminatory.

If the future experience exceeds the lifetime ratio shown in Appendix A, Section 22, Prudential may need to file for additional in-force premium increases on these forms. If that were to occur, the requested increase would be calculated to manage the block to the target lifetime loss ratio as shown in Appendix A, Section 22.



Keith Burns, ASA, MAAA  
Vice President & Actuary  
Prudential Long Term Care  
April 12, 2021



**Actuarial Memorandum Supporting Rate Revisions for  
The Prudential Insurance Company of American  
Individual Long-Term Care Insurance Product  
April 12, 2021**

**Appendix A**  
**The Prudential Insurance Company of America**  
**ILTC1 - Policies Issued Prior to 9/16/2002**

**Pennsylvania**

**Requested Rate Increase**

<u>Benefit Type</u>	<u>Requested Amount</u>
Auto Inflation/Cash/Unlimited	123.10%
Auto Inflation/Reimbursement/Unlimited	78.50%
Auto Inflation/Cash/Limited	53.80%
Auto Inflation/Reimbursement/Limited	38.90%
No Inflation/Cash/Unlimited	53.70%
No Inflation/Reimbursement/Unlimited	38.80%
No Inflation/Cash/Limited	0%
No Inflation/Reimbursement/Limited	0%

**8. Average Annual Premium**

<u>Rate Basis</u>	<u>Pennsylvania</u>	<u>Nationwide</u>
Without Increase	\$3,001	\$2,870
With Increase	\$4,477	\$4,699

**13. Satisfaction of Loss Ratio Requirements**

Loss Ratio Requirement:

1) Projected Lifetime Loss Ratio with Rate Increase	120%
2) Minimum Required Loss Ratio	60%
Is 1 greater than 2?	Yes

**16. Lifetime Loss Ratio**

<u>Policy type</u>	<u>Without Increase</u>	<u>With Increase</u>
All	143%	120%
No Inflation/Cash/Unlimited	114%	102%
No Inflation/Cash/Limited	94%	94%
No Inflation/Reimbursement/Unlimited	97%	91%
No Inflation/Reimbursement/Limited	66%	66%
Auto Inflation/Cash/Unlimited	233%	167%
Auto Inflation/Cash/Limited	157%	133%
Auto Inflation/Reimbursement/Unlimited	151%	122%
Auto Inflation/Reimbursement/Limited	116%	105%

**17. History of Rate Adjustments**

14% Implemented on 10/1/2009 only for policies with Cash Benefit  
9% Implemented on 10/1/2009 only for policies with Reimbursement Benefit  
14% Implemented on 10/1/2010 only for policies with Cash Benefit  
9% Implemented on 10/1/2010 only for policies with Reimbursement Benefit  
14% Implemented on 4/25/2012 only for policies with Cash Benefit  
8.20% Implemented on 4/25/2012 only for policies with Reimbursement Benefit  
14% Implemented on 4/25/2013 only for policies with Cash Benefit  
8.20% Implemented on 4/25/2013 only for policies with Reimbursement Benefit  
20% Implemented on 5/1/2014 for all policies  
20% Implemented on 10/1/2016 only for policies with Unlimited Benefit Period and Cash Benefit  
20% Implemented on 10/1/2016 only for policies with Unlimited Benefit Period and Reimbursement Benefit  
20% Implemented on 10/1/2016 only for policies with Limited Benefit Period and Cash Benefit  
12.60% Implemented on 10/1/2016 only for policies with Limited Benefit Period and Reimbursement Benefit  
7.70% Implemented on 5/1/2018 only for policies with Unlimited Benefit Period and Cash Benefit  
4.30% Implemented on 5/1/2018 only for policies with Unlimited Benefit Period and Reimbursement Benefit  
0.70% Implemented on 5/1/2018 only for policies with Limited Benefit Period and Cash Benefit  
10% Implemented on 5/1/2019 for all policies  
10% Implemented on 10/1/2020 only for policies with Unlimited Benefit Period and Auto Inflation  
10% Implemented on 10/1/2020 only for policies with Limited Benefit Period and Auto Inflation  
10% Implemented on 10/1/2020 only for policies with Unlimited Benefit Period and No Inflation  
9.10% Implemented on 10/1/2020 only for policies with Limited Benefit Period and No Inflation

**18. Number of Policyholders and Annualized Premium as of June 30, 2020**

<u>Policy type</u>	<u>Policies Inforce</u>		<u>Premium Inforce</u>	
	<u>Pennsylvania</u>	<u>Nationwide</u>	<u>Pennsylvania</u>	<u>Nationwide</u>
All	917	10,213	\$2,751,852	\$29,308,372
No Inflation/Cash/Unlimited	12	263	\$75,211	\$1,178,275
No Inflation/Cash/Limited	19	232	\$74,639	\$757,312
No Inflation/Reimbursement/Unlimited	35	411	\$132,073	\$1,392,159
No Inflation/Reimbursement/Limited	126	841	\$331,435	\$2,228,473
Auto Inflation/Cash/Unlimited	42	1,636	\$194,427	\$6,069,633
Auto Inflation/Cash/Limited	60	915	\$213,895	\$2,685,696
Auto Inflation/Reimbursement/Unlimited	169	2,333	\$591,805	\$6,973,229
Auto Inflation/Reimbursement/Limited	454	3,582	\$1,138,367	\$8,023,596

**22. Projected Loss Ratio**

Projected target lifetime loss ratio with rate increase	119%
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Appendix B  
The Prudential Insurance Company of America  
Historical and Projected Experience  
Nationwide Experience - Policies Issued Prior to 9/16/2002  
Pennsylvania Premium Rate Basis  
ILTC1

**Historical**

Calendar Year	Earned Premium	Paid Claims	Claim Reserve	Incurred Claims	Incurred Ratio
1999	877,804	0	0	0	0%
2000	7,230,315	0	0	0	0%
2001	18,473,943	83,499	0	83,499	0%
2002	35,269,663	3,501,523	493,048	3,994,571	11%
2003	38,891,479	5,822,598	269,095	6,091,694	16%
2004	37,303,735	6,460,564	64,424	6,524,988	17%
2005	35,868,520	6,203,842	135,500	6,339,341	18%
2006	35,106,283	10,735,246	0	10,735,246	31%
2007	34,566,095	14,466,138	611,052	15,077,190	44%
2008	33,653,309	18,491,921	534,923	19,026,844	57%
2009	33,776,929	19,722,916	482,437	20,205,353	60%
2010	35,511,617	18,294,223	1,078,851	19,373,074	55%
2011	34,642,062	24,031,740	1,426,318	25,458,057	73%
2012	35,532,738	25,563,294	3,287,638	28,850,932	81%
2013	37,234,655	24,193,923	3,328,184	27,522,107	74%
2014	42,470,195	29,193,256	5,481,381	34,674,636	82%
2015	41,116,905	30,736,331	10,267,150	41,003,481	100%
2016	43,881,237	24,251,129	12,888,261	37,139,390	85%
2017	43,426,416	29,477,036	26,015,332	55,492,368	128%
2018	40,896,169	16,806,818	26,709,004	43,515,822	106%
2019	42,275,552	9,525,120	34,256,612	43,781,732	104%
2020*	21,288,091	160,291	16,101,231	16,261,522	76%

**Projection without Rate Increase**

Calendar Year	Earned Premium	Incurred Claims	Incurred Ratio
2020**	19,829,317	28,082,778	142%
2021	38,275,256	57,749,886	151%
2022	35,804,422	61,902,348	173%
2023	33,409,375	66,601,816	199%
2024	31,240,747	71,750,112	230%
2025	29,153,627	77,053,008	264%
2026	27,107,182	82,281,475	304%
2027	25,107,156	87,341,352	348%
2028	23,160,960	92,079,107	398%
2029	21,276,001	96,431,169	453%
2030	19,459,814	100,345,129	516%
2031	17,719,030	103,739,855	585%
2032	16,059,096	106,444,815	663%
2033	14,484,379	108,177,113	747%
2034	12,998,674	109,124,524	840%
2035	11,605,246	109,323,436	942%
2036	10,306,751	108,583,624	1054%
2037	9,104,851	106,679,001	1172%
2038	7,999,789	103,558,515	1295%
2039	6,991,105	99,735,516	1427%
2040	6,077,223	95,171,411	1566%
2041	5,254,877	89,933,535	1711%
2042	4,521,050	84,133,316	1861%
2043	3,871,031	77,906,177	2013%
2044	3,299,469	71,780,600	2176%
2045	2,800,242	65,636,485	2344%
2046	2,367,066	59,799,997	2526%
2047	1,993,718	54,237,695	2720%
2048	1,673,552	49,091,431	2933%
2049	1,400,397	44,433,939	3173%
2050	1,168,310	40,163,607	3438%
2051	971,987	36,403,247	3745%
2052	806,633	32,946,266	4084%
2053	667,953	29,853,546	4469%
2054	551,974	27,008,788	4893%
2055	455,221	24,385,908	5357%
2056	374,726	21,986,480	5867%
2057	307,819	19,837,440	6445%
2058	252,344	17,861,839	7078%
2059+	1,080,289	119,580,053	11069%

\* Historical 2020 Experience - 1/1/2020 through 6/30/2020

\*\* Projected 2020 Experience - 7/1/2020 through 12/31/2020

**Projection with Rate Increase**

Calendar Year	Earned Premium	Incurred Claims	Incurred Ratio
2020**	19,829,317	28,082,778	142%
2021	49,455,887	54,650,190	111%
2022	50,823,752	56,626,311	111%
2023	48,772,371	60,089,537	123%
2024	45,787,109	64,561,555	141%
2025	42,903,313	69,154,667	161%
2026	40,056,871	73,654,130	184%
2027	37,256,508	77,992,293	209%
2028	34,513,521	82,038,265	238%
2029	31,839,442	85,735,603	269%
2030	29,246,077	89,038,870	304%
2031	26,744,211	91,878,192	344%
2032	24,343,216	94,105,743	387%
2033	22,051,126	95,483,000	433%
2034	19,875,140	96,169,247	484%
2035	17,821,845	96,205,202	540%
2036	15,896,832	95,425,145	600%
2037	14,104,509	93,634,059	664%
2038	12,447,224	90,795,071	729%
2039	10,926,078	87,348,118	799%
2040	9,540,484	83,269,968	873%
2041	8,287,082	78,613,419	949%
2042	7,162,800	73,478,253	1026%
2043	6,161,757	67,982,897	1103%
2044	5,277,023	62,581,431	1186%
2045	4,500,339	57,173,085	1270%
2046	3,822,982	52,040,028	1361%
2047	3,236,166	47,156,798	1457%
2048	2,730,290	42,631,912	1561%
2049	2,296,349	38,541,037	1678%
2050	1,925,623	34,792,939	1807%
2051	1,610,292	31,493,239	1956%
2052	1,343,224	28,464,812	2119%
2053	1,117,972	25,757,598	2304%
2054	928,533	23,270,866	2506%
2055	769,599	20,983,797	2727%
2056	636,639	18,896,246	2968%
2057	525,515	17,028,020	3240%
2058	432,870	15,312,582	3537%
2059+	1,895,511	101,980,225	5380%

**Loss Ratio Summaries**

Accumulated Value of Historical to 6/30/2020	1,132,012,922	618,995,391	55%	1,132,012,922	618,995,391	55%
Present Value of Future to 6/30/2020	321,457,995	1,458,864,745	454%	461,494,906	1,296,874,663	281%
Total Values	1,453,470,917	2,077,860,136	143%	1,593,507,828	1,915,870,054	120%
(Discounted at 4.5%)						

Minimum Lifetime Loss Ratio

60%

Appendix E  
The Prudential Insurance Company of America  
Historical and Projected Experience  
Pennsylvania Experience - Policies Issued Prior to 9/16/2002  
Pennsylvania Premium Rate Basis  
ILTC1

Calendar Year	Earned Premium	Paid Claims	Claim Reserve	Incurred Claims	Incurred Ratio
1999	67,303	0	0	0	0%
2000	892,771	0	0	0	0%
2001	2,234,869	0	0	0	0%
2002	3,792,453	190	0	190	0%
2003	4,192,339	19,591	0	19,591	0%
2004	4,000,679	122,059	0	122,059	3%
2005	3,844,639	392,541	0	392,541	10%
2006	3,753,171	1,024,922	0	1,024,922	27%
2007	3,662,358	1,449,641	0	1,449,641	40%
2008	3,496,482	1,503,611	0	1,503,611	43%
2009	3,501,550	1,846,198	148,734	1,994,932	57%
2010	3,517,670	1,728,879	234,111	1,962,990	56%
2011	3,493,263	1,474,902	0	1,474,902	42%
2012	3,526,646	2,445,022	46,629	2,491,651	71%
2013	3,511,410	2,450,783	224,068	2,674,851	76%
2014	3,552,168	2,046,279	0	2,046,279	58%
2015	3,477,800	1,650,726	0	1,650,726	47%
2016	3,528,245	1,833,376	277,089	2,110,464	60%
2017	3,737,961	3,665,441	3,410,678	7,076,120	189%
2018	3,206,316	1,737,783	2,244,282	3,982,065	124%
2019	3,069,527	922,180	2,544,110	3,466,290	113%
2020*	1,520,183	18,681	1,277,534	1,296,216	85%

Calendar Year	Earned Premium	Incurred Claims	Incurred Ratio
2020**	1,367,123	2,194,900	161%
2021	2,742,920	4,526,879	165%
2022	2,597,847	4,825,023	186%
2023	2,421,775	5,127,508	212%
2024	2,249,890	5,450,597	242%
2025	2,082,394	5,766,020	277%
2026	1,919,723	6,083,855	317%
2027	1,762,162	6,372,799	362%
2028	1,610,308	6,640,792	412%
2029	1,464,489	6,882,469	470%
2030	1,325,208	7,070,845	534%
2031	1,193,055	7,230,683	606%
2032	1,068,356	7,347,376	688%
2033	951,474	7,367,097	774%
2034	842,599	7,338,528	871%
2035	741,789	7,250,009	977%
2036	649,202	7,110,695	1095%
2037	564,818	6,917,895	1225%
2038	488,480	6,604,169	1352%
2039	420,038	6,250,130	1488%
2040	359,078	5,865,864	1634%
2041	305,099	5,445,028	1785%
2042	257,718	5,004,959	1942%
2043	216,458	4,524,529	2090%
2044	180,849	4,041,032	2234%
2045	150,322	3,579,549	2381%
2046	124,334	3,138,848	2525%
2047	102,376	2,716,851	2654%
2048	83,928	2,348,231	2798%
2049	68,555	2,016,925	2942%
2050	55,835	1,738,137	3113%
2051	45,370	1,485,100	3273%
2052	36,793	1,256,212	3414%
2053	29,799	1,089,304	3655%
2054	24,099	962,433	3994%
2055	19,459	867,456	4458%
2056	15,695	761,425	4851%
2057	12,648	675,579	5341%
2058	10,182	596,370	5857%
2059+	38,564	3,236,126	8392%

Calendar Year	Earned Premium	Incurred Claims	Incurred Ratio
2020**	1,367,123	2,194,900	161%
2021	3,320,649	4,311,832	130%
2022	3,389,265	4,464,435	132%
2023	3,234,478	4,689,514	145%
2024	3,016,993	4,971,978	165%
2025	2,803,815	5,245,803	187%
2026	2,595,548	5,519,906	213%
2027	2,392,555	5,766,816	241%
2028	2,195,686	5,995,049	273%
2029	2,005,445	6,198,768	309%
2030	1,822,573	6,354,556	349%
2031	1,647,958	6,484,329	393%
2032	1,482,132	6,574,881	444%
2033	1,325,720	6,580,919	496%
2034	1,179,103	6,543,435	555%
2035	1,042,516	6,453,588	619%
2036	916,328	6,319,324	690%
2037	800,657	6,137,930	767%
2038	695,420	5,853,436	842%
2039	600,567	5,533,213	921%
2040	515,638	5,187,397	1006%
2041	440,040	4,810,380	1093%
2042	373,344	4,417,736	1183%
2043	314,974	3,991,773	1267%
2044	264,358	3,563,065	1348%
2045	220,754	3,153,895	1429%
2046	183,453	2,764,243	1507%
2047	151,787	2,392,383	1576%
2048	125,049	2,066,864	1653%
2049	102,650	1,774,236	1728%
2050	84,021	1,527,641	1818%
2051	68,614	1,304,667	1901%
2052	55,920	1,103,517	1973%
2053	45,512	955,962	2100%
2054	36,987	843,461	2280%
2055	30,007	758,922	2529%
2056	24,313	665,527	2737%
2057	19,679	589,647	2996%
2058	15,908	519,937	3268%
2059+	61,108	2,811,627	4601%

\*\* Projected 2020 Experience - 7/1/2020 through 12/31/2020

Accumulated Value of Historical to 6/30/2020	111,427,488	48,321,746	43%	111,427,488	48,321,746	43%
Present Value of Future to 6/30/2020	22,247,112	97,464,724	438%	29,366,009	87,900,802	299%
Total Values (Discounted at 4.5%)	133,674,600	145,786,470	109%	140,793,498	136,222,548	97%

## Appendix C

### The Prudential Insurance Company of America

#### Description of Experience Analysis and Assumption Setting

##### Mortality Study

The 2Q20 Best Estimate Healthy Lives Mortality Assumption applies to policies that are not in pending or approved claim status. This is consistent with the application of the rates in the first principles model. The healthy lives mortality rate assumptions are calculated in three parts: (1) a base rate mortality table, (2) selection factors based on Prudential healthy life experience, and (3) a mortality improvement factor for healthy lives. The best estimate assumption is applied at the policy level, as: (base rate from mortality table \* selection factor \* improvement). The specific rate from the industry mortality table is based on attained age and gender; the selection factor varies by line of business, gender, issue age and duration of the policy; and historical improvement is a single factor based on population improvement from the midpoint of the study period to the start of future improvement. Future improvement is now a generational table that varies by year, attained age and gender. The selection factor assumptions (2) are developed separately for ILTC and GLTC based on experience, but the base industry rate table (1) and improvement factors (3) are the same for both products.

The 2Q20 best estimate mortality healthy lives assumption was developed using the most recent 5 years of data. In order to remove impact of durations that are no longer applicable in our models, due to our business being closed block, we only study experience for the selection factor development on durations 10+. The selection factors grade to an ultimate based on late duration experience. This was done to align mortality with the smaller healthy life only bucket that will be remaining in the projection.

Future Mortality improvement is a factor that is applied to the mortality rate that has been adjusted by selection factors. It is intended to reflect the notion that the probability of death for a given attained age will decrease over time, as the population is living longer, indicating an improvement in mortality. The rate of improvement will decrease by attained age. Very high attained ages are not believed to improve at all. Younger attained ages may be improving throughout the projection. The generational scale used is the G2 scale published for use with 2012 IAM table adjusted for healthy only lives.

Prudential's experience study was performed using mortality data from 7/1/2014 - 6/30/2019, with deaths reported through 9/30/2019.

The future expected mortality assumptions were developed based on this historical actual experience and judgment. We use the 2012 IAM Basic Table on an ALB basis adjusted for actual healthy life experience with judgment adjustments in the places we are not yet credible, i.e. ultimate selection factors as there is no healthy only mortality table. Mortality selection factors were developed varying

by issue age, gender, duration, and product type to best match our actual healthy life experience using the total lives industry mortality table as a base.

### **Voluntary Lapse Study**

A voluntary lapse study was also conducted on the Company's actual experience using data through June 30, 2019. Voluntary lapse rates were calculated based on actual lapses using experience in years 7/1/2016 – 6/30/2019 with lapses reported through 9/30/2019. Voluntary lapses are studied using actual terminations. The impact from disabled lives were removed from the exposure to ensure a healthy only lapse rate. The impact of shock lapses that occur due to rate increases were removed from the voluntary lapse study to ensure that the lapse experience was not overstated. Actual terminations that occur within the 6-month window around a shock rate event are not included as actuals for voluntary lapse. The study includes healthy life exposure only -- consistent with its application in the first principles model.

The best estimate assumptions for voluntary lapse rates are set based on experience by line of business and policy duration. ILTC rates are also set by inflation option, marital status, and premium payment period. GLTC rates are also set by business segment and ultimate rates are set for attained ages 65 plus.

### **Morbidity:**

Prior to the transition to a first principles model in 2020, experience for morbidity was analyzed on an incurred claims basis. As such, 2020 is the first year the company has split the morbidity assumption into its component parts – Incidence, Utilization, and Claim Terminations. A study has been performed for each piece.

### **Incidence Study**

An incidence study was performed using the company's claims incidences incurred through 6/30/19 and reported through 9/30/19. A claim incidence is defined as an approved claim with or without a dollar of payment. The assumption was developed starting with base incidence rates from the 2017 Milliman Cost of Care Guidelines and applying Prudential fitting factors to adjust for our experience. The guidelines are based on Milliman's slice of industry wide experience with underwriting and area specific selection factors applied. These are customized to the company's underwriting guidelines and product benefits compared with the total guidelines. The area factors are also adjusted based on where Prudential has exposure.

We set the Prudential fitting factors based on drivers of incidence underlying our experience. For GLTC, drivers include attained age and underwriting mix, gender, cash/reimbursement benefits, and product. For ILTC, drivers include marital information, gender, cash/ reimbursement and product. A final factor is applied to the base table to align the proportion of claim incidences into sites of care to be consistent with our data. These factors differ based on whether a policy has cash benefits available, as cash is predominantly an HHC benefit.

### **Utilization Study**

A claim utilization study was performed to anticipate how much of each claim's maximum available daily benefits will be incurred for LTC services. The company's claim experience was analyzed with claims incurred from inception through 3/31/2019 and payments reported through 9/30/19. Actual Utilization is measured as the ratio of the total claim payments to the calculated maximum possible payment for each claim. The maximum possible exposure is calculated as the total length of stay (time period from the end of the elimination period to the claim end date) multiplied by the daily benefit maximum (DBM) in-force over that period (including automatic inflation and GPO increases).

We set our claim utilization assumption based on several key drivers. These include initial site of care, line of business, issue DBM, inflation type, and benefit period. The study includes claim exposure without any payments (inactive claims), after the elimination period. The assumption is split into a select period (months 1-12) and an ultimate period (months 13+).

### **Claim Terminations Study (death and recovery)**

A claim termination study was performed to define the length of a claim. Decrements are split between death and recoveries where recoveries are added back to the active life population in the projections. The company's claim experience was analyzed with claims incurred from inception through 3/31/2019 and developed through 9/30/19. The assumption is based on the death and recovery tables by initial situs in the 2017 Milliman Cost of Care Guidelines after applying Prudential's adjusted claim termination death and recovery experience fitting factors. The 2017 Milliman guidelines table of rates vary by age at disability, monthly claim duration, gender, benefit period (i.e. lifetime vs. non-lifetime benefit periods) and are split for deaths and recoveries. The study for recoveries included recoveries through 36 months. Disabled mortality was graded to a gender-specific ultimate rate based on the 2007 Long Term Care Intercompany Study. If a policyholder has claim closure that reopens as the same claim within 6 months, we do not count this as a termination and instead we count as one continuous claim.

Prudential death and recovery claim termination fitting factors vary by the demographics included in the Milliman base table – age at disability, monthly claim duration, gender, benefit period, initial care setting – as well as product and cash/reimbursement benefits option.

**The Prudential Insurance Company of America**

**Appendix C - Exhibit 1**

**Healthy Life Mortality Study**

**Experience by Policy Duration**

**ILTC**

<b>Duration</b>	<b>Actual Exposures</b>	<b>Actual Mortality</b>	<b>Current Best Estimate</b>	<b>Actual/Best Estimate</b>
10 - 14	138,663	856	874	97.9%
15+	74,859	735	717	102.5%
Total	213,522	1,591	1,591	100.0%

Notes:

- 1) Prudential's experience study was performed using mortality data from 7/1/2014 – 6/30/2019, with deaths reported through 9/30/2019.
- 2) Best Estimate Mortality Rate uses 2012 IAM Basic Mortality Table, with mortality selection factors, and G2 scale generation improvement factors adjusted for healthy lives starting 1/1/2021.



**The Prudential Insurance Company of America**  
**Appendix C - Exhibit 2**  
**Lapse Study**  
**Experience by Policy Duration**  
**ILTC**

<b>Duration</b>	<b>Actual Exposures</b>	<b>Number of Lapses</b>	<b>Number of Best Estimate Lapses</b>	<b>Actual Lapse Rate</b>	<b>Best Estimate Lapse Rate</b>	<b>Actual/Best Estimate</b>
6 - 9	81,453	877	879	1.08%	1.08%	99.7%
10 - 14	73,778	576	587	0.78%	0.80%	98.1%
15+	60,316	427	419	0.71%	0.70%	101.8%
Total	215,546	1,880	1,886	0.87%	0.87%	99.7%

Notes:

- 1) Prudential's experience study was performed using lapse data from 7/1/2016 – 6/30/2019, with lapses reported through 9/30/2019.
- 2) Shock lapses have been removed from both actual and best estimate values.
- 3) Best Estimate Lapse Rate is the assumption used in the current projection assumption.

**The Prudential Insurance Company of America**

**Appendix C - Exhibit 3**

**Incidence Study**

**Experience by Policy Duration**

**ILTC**

<b>Duration</b>	<b>Actual Exposures</b>	<b>Actual Incidence</b>	<b>Current Best Estimate</b>	<b>Actual/Best Estimate</b>
6 - 10	386,300	2,545	2,388	106.6%
11 - 14	170,063	2,277	2,269	100.4%
15+	72,546	1,413	1,550	91.2%
Total	628,909	6,235	6,207	100.5%

Notes:

- 1.) The assumption is based on Milliman's 2017 LTC Guidelines as industry rates with additional factors to reflect Prudential specific experience.
- 2) Prudential's experience study includes claims incidences incurred through 6/30/19 and reported through 9/30/19.
- 3) Assumption was developed using historical experience in durations 6 and higher.

**The Prudential Insurance Company of America**  
**Appendix C - Exhibit 4**  
**Benefit Utilization Study**  
**Experience by Calendar Year**  
**ILTC**

<b>Calendar Yr</b>	<b>Exposure (Maximum Possible Payment in \$MM)</b>	<b>Actual Paid Claims (in \$MM)</b>	<b>Actual Utilization Rate</b>	<b>Expected Paid Claims (in \$MM)</b>	<b>Expected Utilization Rate</b>	<b>Actual to Expected</b>
<=2005	7.8	5.5	70.9%	6.0	76.3%	92.9%
2006	7.3	5.6	75.8%	5.5	75.3%	100.6%
2007	13.2	9.6	72.3%	9.8	74.3%	97.3%
2008	21.7	16.0	73.7%	16.0	73.8%	99.8%
2009	29.3	22.1	75.4%	21.9	74.7%	100.9%
2010	37.7	28.1	74.6%	28.0	74.2%	100.6%
2011	44.6	33.0	74.1%	32.8	73.7%	100.6%
2012	53.6	40.3	75.2%	39.0	72.8%	103.2%
2013	63.7	47.0	73.9%	46.4	72.9%	101.3%
2014	75.3	54.8	72.7%	54.4	72.3%	100.6%
2015	87.4	61.7	70.7%	62.3	71.3%	99.1%
2016	100.2	72.1	71.9%	71.3	71.1%	101.2%
2017	114.1	83.3	73.0%	81.4	71.3%	102.4%
2018	127.5	93.6	73.4%	90.9	71.3%	103.0%
2019	93.3	61.8	66.3%	66.5	71.3%	92.9%
<b>Total</b>	<b>876.8</b>	<b>634.7</b>	<b>72.4%</b>	<b>632.3</b>	<b>72.1%</b>	<b>100.4%</b>

Notes:

- 1) Approved claims excluding claims in elimination period from inception through March 31, 2019 (reported through September 30, 2019).
- 2) This exhibit excludes waiver of premium and return of premium benefits in both actual and expected results.

The Prudential Insurance Company of America  
Appendix C - Exhibit 5  
Claim Termination - Death  
Experience by Claim Duration  
ILTC

Claim Duration (Months)	Claims Exposed	Actual Death Terminations	Best Estimate Death Terminations	Actual Monthly Mortality Rate	Expected Monthly Mortality Rate	Actual/Best Estimate
1 - 3	20,565	976	975	4.7%	4.7%	100.1%
4 - 6	17,368	447	448	2.6%	2.6%	99.8%
7 - 12	27,149	496	506	1.8%	1.9%	98.0%
13 - 24	39,537	539	539	1.4%	1.4%	100.0%
25 - 48	46,003	652	777	1.4%	1.7%	83.9%
49+	29,243	432	509	1.5%	1.7%	84.9%
Total	179,865	3,542	3,754	2.0%	2.1%	94.4%

Notes:

- 1) The company's claim experience was analyzed with all approved claims incurred from inception through 3/31/2019 and deaths reported through 9/30/19.
- 2) This assumption is based on Milliman's 2017 claim termination by death industry tables adjusted for Prudential's experience where credible.
- 3) Disabled mortality was graded to a gender-specific ultimate rate based on the 2007 Long Term Care Intercompany Study.

**The Prudential Insurance Company of America**  
**Appendix C - Exhibit 6**  
**Claim Termination - Recovery**  
**Experience by Claim Duration**  
**ILTC**

<b>Claim Duration (Months)</b>	<b>Policies Exposed</b>	<b>Actual Recoveries</b>	<b>Best Estimate of Recoveries</b>	<b>Actual Monthly Recovery Rate</b>	<b>Expected Monthly Recovery Rate</b>	<b>Actual/Best Estimate</b>
1 - 6	37,504	575	596	1.5%	1.6%	96.5%
7 - 12	27,181	542	521	2.0%	1.9%	104.1%
13+	66,761	303	303	0.5%	0.5%	100.0%
Total	131,446	1,420	1,419	1.1%	1.1%	100.0%

Notes:

- 1) The company's claim experience was analyzed with claims incurred from inception through 3/31/2019 and reported through 9/30/19.
- 2) Based on the death and recovery tables by initial situs in Milliman's 2017 LTC Guidelines, applying Prudential's experience fitting factors.
- 3) The study included recoveries through 36 months of claim.

## **Frequently Asked Questions Relating to Premium Increase**

**Question: Why are my long-term care insurance premium rates increasing?**

**Answer:** The Prudential Insurance Company of America (Prudential) continuously reviews and assesses the long-term care insurance policies like yours, called ILTC1. Assumptions affecting claim payments continue to be inconsistent with our actual experience. As a result, a premium increase is needed to help ensure that premiums are sufficient to pay future benefits on all ILTC1 policies.

**Question: What provisions in the policy allow Prudential the right to raise premiums?**

**Answer:** The “Renewability” and “Changes in Premiums” provisions in your policy describe the right to increase the premium charged for the insurance.

**Question: Will the premiums on these policies increase again?**

**Answer:** [IF ADDITIONAL INCREASE IS CERTAIN: In addition to the premium rate increase[s] explained in the attached policyholder notification letter, we anticipate that another increase will be necessary in the future, but we currently don’t know the date or amount of that future increase.]

[IF ADDITIONAL INCREASE IS POSSIBLE: In addition to the premium rate increase[s] explained in the attached policyholder notification letter, it is possible that, as we continue to regularly review the factors that affect premium rates, another increase may be needed in the future.]

Should a future increase become necessary, you will receive notification in advance of the effective date of the increase along with benefit reduction options to help offset that premium rate increase. We will continue to monitor the factors that impact premiums to determine if our assumptions are consistent with actual experience.

**Question: Have I been singled out for this rate increase because of my age or health?**

**Answer:** No individual policyholder has been singled out for an increase due to age or changing health.

**Question: I no longer live in the state where I purchased my policy, does the increase still apply?**

**Answer:** Yes, the rate increase applies because your long-term care insurance policy is regulated by the state you lived in when you purchased it, even if you have since moved out of that state.

**Question: When will this premium increase become effective?**

**Answer:** This increase will become effective on the [first premium due date][first policy anniversary date] following the implementation of the rate increase in the state in which your policy was issued. You can find that date in the letter that was sent along with these frequently asked questions.

**Question: What will happen if I do nothing?**

**Answer:** If you take no action, your policy will remain as it is today, without any changes to coverage or policy features and you will be billed the increased premium rate.

The Prudential Insurance Company of America  
As Administered by CHCS  
Long-Term Care Customer Service Center  
P.O. Box 1911  
Pensacola, FL 32591  
Tel: 1-800-732-0416 Fax: 1-866-212-4724

Policyholder Name: [FIRST NAME LAST NAME]  
Policy Number: [XXXXXXXXXXXX]

**Please complete this form and fax it to 1-866-212-4724 or return it by mail to the address shown above within 30 days of the date on the policyholder rate increase notification letter.**

## **LONG-TERM CARE INSURANCE CHANGE REQUEST FORM**

This form can be used to make changes to your Long-Term Care insurance coverage to reduce the impact of the premium rate increase[s] identified in the attached policyholder rate increase notification letter.

***You have a 30 day right to review any changes to your coverage. After that period, the decision to reduce your plan's benefit is not reversible.*** This decision should be considered carefully. If you anticipate filing a claim in the near future, it may not be advantageous to modify your plan's benefit design.

Before making any changes, we would encourage you to review your policy and to call our Long-Term Care Customer Service Center at 1-800-732-0416, Monday through Friday, between 8 a.m. and 7 p.m. ET, to discuss the range of options that may be available to you, and to learn how the selection of each option will affect (1) the amount of premium you will be required to pay, and (2) your coverage.

**Please indicate your change(s) by checking and completing the options below.**  
**NOTE: If you check more than one option, you should call us for the new premium amounts.**

- ☐ [IF INSURED UNDER CASH BENEFIT RIDER: Remove my **Cash Benefit Rider** and convert my Policy to a daily reimbursement plan.]
- ☐ [IF INSURED UNDER CASH BENEFIT RIDER: Replace my **Cash Benefit Rider** with the **Cash Indemnity Rider**. I understand that by replacing my Cash Benefit Rider with the Cash Indemnity Rider that the Cash Indemnity Rider will pay the full daily benefit for Home and Community-Based Care only for the days that **formal** services are received, and proof of such services having been received is

Policy [XXXXXXXXXXXX]



provided to Prudential. Formal services mean services from a licensed provider. I will no longer have the option to receive a monthly cash payment of the full daily benefit for Home and Community-Based Care upon satisfaction of the Benefit Eligibility Criteria, regardless of whether formal or informal services were received. Furthermore, I understand that my Cash Benefit Rider will terminate.]

- ☐ [IF INSURED UNDER CASH INDEMNITY RIDER: Remove my **Cash Indemnity Rider** and convert my Policy to a daily reimbursement plan.]
- ☐ [Decrease my **Lifetime Maximum** benefit amount by changing the number of years used to calculate such benefits from [X years][Unlimited] to [Y] years.]
- ☐ [IF AUTOMATIC INFLATION: Decrease my **Daily Maximum** amount from [\$XXX] to [\$YYY] (my corresponding *inflated* Daily Maximum amount would decrease from [\$XXX] to [\$YYY]).][IF NOT AUTOMATIC INFLATION: Decrease my **Daily Maximum** amount from [\$XXX] to [\$YYY].]
- ☐ [IF INSURED UNDER MONTHLY BENEFIT RIDER: Remove my **Monthly Benefit Rider** and convert my Policy to a daily reimbursement plan.]
- ☐ [IF NFO: I wish to **exercise the non-forfeiture option**. I understand that by doing so, no further premium payments will be due under my policy and my Benefit Waiting Period and Daily Maximum benefit will remain the same, but my Lifetime Maximum benefit will be reduced. I will not be eligible for any additional inflation protection increases and all riders attached to my policy will also terminate because my policy will be on paid-up status. I also understand that if I elect this option, I cannot elect any of the other options shown on this form.]
- ☐ [IF CNFO: I wish to **exercise the contingent non-forfeiture option**. I understand that I can only make this election within the 120-day period following the due date of my increased premium, and that I must continue paying premiums up until that due date. I also understand that by making this election, no further premium payments will be due under my policy and my Benefit Waiting Period and Daily Maximum benefit will remain the same, but my Lifetime Maximum benefit will be reduced. I will not be eligible for any additional inflation protection increases and all riders attached to my policy will also terminate because my policy will be on paid-up status. In addition, I understand that if I elect this option, I cannot elect any of the other options shown on this form.]
- ☐ I wish to do the following. I understand that someone from the Long-Term Care Customer Service Center may call me to clarify my wishes or explain if the change requested can be made.

**ACKNOWLEDGEMENT:** By signing below, I understand that each option available as an alternative to paying the full premium rate increase will result in a different change to my policy benefits. I understand that the coverage changes I have selected above will reduce my current benefits.]I acknowledge that I am making this decision carefully and in consideration of my personal situation. After the 30 day right to review period, I understand that I am not able to reverse my election. I acknowledge that Prudential has made the Long-Term Care Customer Service Center available for me to discuss these options. I affirm that any changes made pursuant to this form, are made voluntarily and that I am under no obligation to make them. I agree that any changes will become effective on the date set by The Prudential Insurance Company of America upon receipt of this request.

---

Signature of Policyholder for policy  
[XXXXXXXXXXXX]

---

Date Signed

Policy [XXXXXXXXXXXX]

# Coverage Options for Policy [XXXXXXXXXX]

## Options to Reduce Coverage and Lower Premium Rate Increase

**[IF INSURED UNDER CASH BENEFIT RIDER:**You may drop your Cash Benefit Rider. This means that if you are determined to be eligible to receive benefits under your policy, you will be reimbursed for covered expenses up to the Daily Maximum for Home and Community-Based Care rather than receive a monthly cash amount as provided under the Cash Benefit Rider.

This change will result in a new [monthly, quarterly, semiannual, annual] premium payment of [\$XXXX.XX].

OR you may elect to replace your Cash Benefit Rider with the Cash Indemnity Rider. The Cash Indemnity Rider will pay the full daily benefit for Home and Community-Based Care only for the days that **formal** services are received, and proof of having received those services is provided to Prudential. Formal services mean services from a licensed provider. This is different from the Cash Benefit Rider, which permits payment of the full daily benefit for Home and Community-Based Care upon satisfaction of the Benefit Eligibility Criteria, regardless of whether formal or informal services were received. If you elect the Cash Indemnity Rider, your Cash Benefit Rider would terminate. The Cash Indemnity Rider is a less expensive option than the Cash Benefit Rider. If you elect to replace your Cash Benefit Rider with the Cash Indemnity Rider, you will have 30 days to review the new Rider. If you are not satisfied with the terms and conditions of this option, we will reinstate your Cash Benefit Rider if you make a written request within these 30 days.

This change will result in a new [monthly, quarterly, semiannual, annual] premium payment of [\$XXXX.XX].

**[IF INSURED UNDER CASH INDEMNITY RIDER:**You may drop your Cash Indemnity Rider. This means that if you are determined to be eligible to receive benefits under your policy, you will be reimbursed for covered expenses up to the Daily Maximum for Home and Community-Based Care rather than receive the full daily benefit for Home and Community-Based Care for the days that formal services are received and proof of having received such services is provided to Prudential.

This change will result in a new [monthly, quarterly, semiannual, annual] premium payment of [\$XXXX.XX].

[You may reduce your Lifetime Maximum benefit amount by changing the number of years used to calculate such benefits from [X years] [Unlimited] to [Y] years. This means that your Lifetime Maximum shown in a dollar amount will be recalculated to a lower dollar amount using the number of years shown above. You will be provided with a new Schedule of Policy Benefits page showing this lower Lifetime Maximum as a dollar amount.

This change will result in a new [monthly, quarterly, semiannual, annual] premium payment of [\$XXXX.XX].]

**[IF AUTOMATIC INFLATION:** You may reduce your initial Daily Maximum amount from [\$XXX] to [\$YYY] (because your policy has an inflation protection provision, your corresponding *inflated* Daily Maximum amount will decrease from [\$XXX] to [\$YYY]<sup>1</sup>).]

**[IF NOT AUTOMATIC INFLATION:** You may reduce your initial Daily Maximum amount from [\$XXX] to [\$YYY]<sup>1</sup>.] This means that the maximum benefit that you could receive under the policy for each day you receive benefits will be reduced to the amount stated above. This change will result in a new [monthly, quarterly, semiannual, annual] premium payment of [\$XXXX.XX]. Please note that by reducing your Daily Maximum amount, you will also be reducing the total amount of benefits payable under your policy (Lifetime Maximum), unless your policy has an Unlimited Lifetime Maximum. Before making any decision to reduce your Daily Maximum amount, please consider the current and future cost of care in the geographic area where you anticipate receiving care, and the amount you expect to be able to pay for care from your own assets and savings.]

<sup>1</sup> The Daily Maximum amount is subject to any applicable state and/or partnership regulatory minimum benefit requirements.

**[IF INSURED UNDER MONTHLY BENEFIT RIDER:** You may drop your Monthly Benefit Rider. This means that if you are determined to be eligible to receive benefits under your policy, you will be reimbursed for covered expenses up to the Daily Maximum for Home and Community-Based Care rather than up to the monthly maximum amount under the Monthly Benefit Rider.

This change will result in a new [monthly, quarterly, semiannual, annual] premium payment of [\$XXXX.XX].]

**[IF NFO:** You may exercise a right under your non-forfeiture rider to change your policy to paid-up status. If you elect this option, no further premium payments will be due under the policy, and your Benefit Waiting Period and Daily Maximum benefit will remain the same, but your Lifetime Maximum benefit will be reduced. All riders attached to your policy will also terminate. You can elect this option by checking the appropriate box on the enclosed *Long-Term Care Insurance Change Request Form*. If you do not submit a *Long-Term Care Insurance Change Request Form* or contact our Customer Service Center and coverage lapses because you do not pay the full increased premium, your policy will automatically be converted to paid-up status with reduced benefits.]

Or, if NFO is not an option,

**[IF CNFO:** You may exercise a contingent non-forfeiture right to change your policy to paid-up status. If you elect this option, no further premium payments will be due under the policy, and your Benefit Waiting Period and Daily Maximum benefit will remain the

same, but your Lifetime Maximum benefit will be reduced. All riders attached to your policy will also terminate. You can elect this option within 120 days of the implementation of the premium increase by checking the appropriate box on the enclosed *Long-Term Care Insurance Change Request Form*. If you do not submit a *Long-Term Care Insurance Change Request Form* or contact our Customer Service Center and coverage lapses because you do not pay the full increased premium, your policy will automatically be converted to paid-up status with reduced benefits.]

**[IF STATE APPROVED INCREASE OVER MULTIPLE YEARS:IMPORTANT INFORMATION:** This policy's premium rate increase is being phased in over multiple years. The increase schedule is shown in the chart on the first page of the policyholder notification letter. You will receive a notification letter in advance of the effective date of each phase of the premium rate increase. **[IF NOT AT MINIMUM:**Please note that the premiums quoted above relate to your election of just one option. **]]****[IF STATE APPROVED AS A SINGLE INCREASE AND NOT AT MINIMUM:IMPORTANT INFORMATION:** Please note that the premiums quoted above relate to your election of just one option.]

**[IF NOT AT MINIMUM:**If you wish to elect more than one option, please call us at 1-800-732-0416 so we can tell you what your new premium will be. **]**Please also note there may be additional options available to you. Our dedicated Long-Term Care Customer Service Center staff can provide you with information about the complete range of options that may be available and are available to assist you Monday through Friday, between 8 a.m. and 7 p.m. ET.

**[IF NOT AT MINIMUM:**If you would like to make any change, please complete the attached *Long-Term Care Insurance Change Request Form*. You can either fax the completed form to 1-866-212-4724 or mail it to the address noted on the *Long-Term Care Insurance Change Request Form*. **]]****[IF AT MINIMUM:**For your convenience, a *Long-Term Care Insurance Change Request Form* is enclosed. You can either complete and fax the form to 1-866-212-4724 or mail the form to the address noted on the *Long-Term Care Insurance Change Request Form*. **]**

The Prudential Insurance Company of America  
As Administered by CHCS  
Long-Term Care Customer Service Center  
P.O. Box 1911  
Pensacola, FL 32591  
Tel: 1-800-732-0416 Fax: 1-866-212-4724

[DATE]

[FIRST NAME LAST NAME]  
[STREET ADDRESS]  
[CITY, STATE ZIP CODE]

Re: Policy Number: [XXXXXXXXXX]  
Prudential Long-Term Care Insurance Policy  
Notice of premium rate increase

Dear [MR/MS LAST NAME]:

**[IF STATE APPROVED AS A SINGLE INCREASE:**We're writing to let you know that the premium for your long-term care insurance policy is increasing. This letter will tell you when your premium will increase and how much more you will pay. **[IF NOT AT MINIMUM:**In addition, options that are available to you if you don't want to or can't pay the full premium rate increase<sup>1</sup> are provided on the enclosed *Coverage Options* document. **][IF AT MINIMUM:**Because your policy benefits are already at the lowest level we offer, we are unable to offer you the option of reducing your coverage to offset the amount of your premium rate increase. If you don't want to or can't pay the full premium rate increase<sup>1</sup> an alternative option is provided on the enclosed *Coverage Options* document.]

Your current premium is [\$XXXX.XX] paid [monthly, quarterly, semiannually, annually]. The premium rate increase for your policy is [XX.X%]. Your new premium will be [\$XXXX.XX] paid [monthly, quarterly, semiannually, annually]. This increase will take effect on [MM/DD/YYYY]<sup>2</sup>.]

**[IF STATE APPROVED INCREASES OVER MULTIPLE YEARS:**We're writing to let you know that the premium for your long-term care insurance policy is increasing. This letter will tell you when your premium will increase and how much more you will pay. **[IF NOT AT MINIMUM:**In addition, options that are available to you if you don't want to or can't pay the full premium rate increase<sup>1</sup> are provided on the enclosed *Coverage Options* document. **][IF AT MINIMUM:**Because your policy benefits are already at the lowest level we offer, we are unable to offer you the option of reducing your coverage to offset the amount of your premium rate increase. If you don't want to or can't pay the full premium rate increase<sup>1</sup> an alternative option is provided on the enclosed *Coverage Options* document.]

**[IF FINAL ROW INCREASE IS NOT 0%:**Your current premium is [\$xxxx.xx] paid [monthly, quarterly, semiannually, annually]. This premium rate increase<sup>1</sup> will be implemented in [X] phases. This chart reflects your increased premiums assuming no benefit changes are made to your policy<sup>2</sup>. **][IF FINAL ROW INCREASE IS 0%:**Your current premium is [\$xxxx.xx] paid [monthly, quarterly, semiannually, annually]. This premium rate increase<sup>1</sup>, which can vary based on your policy benefits, will be implemented in multiple phases for some policies in your state. This chart reflects the phases, and your premium after each phase, assuming no benefit changes are made to your policy<sup>2</sup>. Note that if your

<sup>1</sup> Premium rate increase is the rate increase that is detailed in this Advance Notification packet.

<sup>2</sup> The premium amounts cited in this letter do not reflect any benefit changes that may already be pending at this time or that you elect in the future. Your actual premium may be different due to rounding.

premium rate increase percentage is zero in a given phase, that means your premium will not increase in that phase.]

Multi-year Increase Phase	Earliest Effective Date of Premium Rate Increase	Premium Rate Increase Percentage	New [Monthly, Quarterly, Semiannual, Annual] Premium with Rate Increase
[1]	[xx/xx/xxxx]	[xx.xx]%	[\$xxxx.xx]
[2]	[xx/xx/xxxx]	[xx.xx]%	[\$xxxx.xx]
[3]	[xx/xx/xxxx]	[xx.xx]%	[\$xxxx.xx]

]

**[IF DIRECT BILL:** You'll see this increase in the statement you receive before the effective date of the new premium rate.][**IF EFT:** Since you pay your premium via electronic funds transfer, the withdrawal from your account that occurs before the effective date of the new premium rate will automatically reflect the new amount.]

We have filed this premium rate increase with state insurance regulators and are implementing this premium increase as permitted by the terms and conditions of your policy, and in accordance with applicable laws. Please read this letter carefully and in its entirety.

**[IF NOT AT MINIMUM** If you continue to pay your premium at the increased rate listed, the coverage provided under your policy will remain the same. If you don't want to or can't pay the full premium increase, please refer to the enclosed *Coverage Options* document, which provides information on options to reduce the impact of the premium rate increase.]

Please also refer to the enclosed *Frequently Asked Questions*, which provide more information about this premium rate increase.

**[IF NOT AT MINIMUM:** If you would like to make any change, please complete the enclosed *Long-Term Care Insurance Change Request Form*. You can either complete and fax the form to 1-866-212-4724 or mail the form to the address noted on the *Long-Term Care Insurance Change Request Form*.][**IF AT MINIMUM:** For your convenience, a *Long-Term Care Insurance Change Request Form* is enclosed. You can either complete and fax the form to 1-866-212-4724 or mail the form to the address noted on the *Long-Term Care Insurance Change Request Form*.]

We understand this premium rate increase affects you financially, but we hope you will continue to appreciate the value of your long-term care insurance coverage. We made this decision after thoroughly evaluating the factors that impact premium rates. The premiums we charge you are affected by several things, including assumptions we make about the amount of claims we expect to pay under policies like yours, as well as other factors. After an extensive review of all these factors, we determined that a premium rate increase is necessary to continue providing the quality insurance coverage you've come to expect.

**[IF ADDITIONAL INCREASE IS CERTAIN:** In addition to this premium rate increase identified in this policyholder notification letter, we anticipate that an additional premium increase will be necessary in the future, but we don't currently know the date or amount of any future increase.]

**[IF ADDITIONAL INCREASE IS POSSIBLE:** In addition to this premium rate increase identified in this policyholder notification letter, it is possible that, as we continue to regularly review the factors that impact premium rates, another increase may be needed in the future.]

If a future increase becomes necessary, you will receive notification in advance of the effective date of any such increase, along with suggested options to help offset that future increase. We will continue to monitor the factors that impact premiums to determine if our assumptions are consistent with actual experience.

If you have questions or concerns after reviewing this letter, **please call our Long-Term Care Customer Service Center at 1-800-732-0416, Monday through Friday, between 8 a.m. and 7 p.m. ET.** Our dedicated customer service team is ready to assist you and can provide you with information about the complete range of options that may be available to you. We appreciate having you as a customer and look forward to continuing to serve you.

Sincerely,

**Prudential Long-Term Care**

[cc: Insurance Producer FIRST NAME LAST NAME]

**ENCLOSURES:**

*Coverage Options Form*

*Long-Term Care Insurance Change Request Form*

*Frequently Asked Questions Relating to Premium Increase Form*